

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6115**  
**BILL NUMBER: SB 105**

**DATE PREPARED:** Nov 9, 2000  
**BILL AMENDED:**

**SUBJECT:** Indianapolis Public School vouchers.

**FISCAL ANALYST:** Chuck Mayfield  
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**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill establishes a voucher program for students having legal settlement in the area served by Indianapolis Public Schools (IPS). It allows a student's parent to request a voucher for the student to enroll in a different IPS school from the one to which the student is assigned or in an accredited nonpublic school located within the territory served by IPS. The bill allows the school that the parent selects to decide whether to accept the student for enrollment under the voucher program. It also provides vouchers for attending nonpublic schools in an amount equal to 100% of the state aid per ADM established for IPS. It requires the parent to pay all other costs of attending the nonpublic school and to provide transportation. This bill prohibits enrollment of a voucher student to negate compliance with certain court orders. The bill provides for administration of the voucher program by the Department of Education.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** Based on the 1990 Census data, about 85% of the students living in the Indianapolis Public School Corporation ("IPS") attendance area attend IPS. Assuming that the 85% figure is accurate for calendar year 2001, there are about 7,900 students living in the IPS area attending another school. An increase of 7,900 students in IPS's ADM count would increase IPS's school formula dollars by about \$47 M for CY 2002 and \$33.7 M each year thereafter. The state impact is \$23.5 M for FY 2002 (½ of the CY 2002 amount) and \$40.4 M for FY 2002 (½ of the CY 2002 amount and ½ of the CY 2003 amount).

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** The state would reduce IPS's state school formula by the amount of the voucher times the number of vouchers granted. The voucher amount is the state school formula revenue per

ADM. IPS will receive additional state formula dollars for additional students. The decline in IPS enrollment has been about 500 to 1,000 students per year. So for the first 500 to 1,000 new students that request a voucher, IPS will receive no additional state funding but will lose the state formula dollars for those students. IPS state formula dollars per ADM are about \$4,330. The exact number of vouchers that might be granted is unknown, but the impact of 7,900 vouchers is about \$34.2 million annually.

**State Agencies Affected:** Department of Education.

**Local Agencies Affected:** Indianapolis Public Schools.

**Information Sources:** School Formula Simulations, DOE census information by school.